



Amy G. Rabinowitz
Assistant General Counsel

June 23, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

**Re: Default Service Pricing Options for the Industrial Customer Group for the
Three Month Period beginning August 1, 2005; D.T.E. 99-60**

Dear Secretary Cottrell:

Massachusetts Electric Company and Nantucket Electric Company (collectively the "Companies") hereby submit the results of their most recent solicitation for Default Service prices and proposed retail rates for the Default Service pricing options for the industrial customer group resulting from the solicitation for the three month service period beginning August 1, 2005. I am also enclosing a motion for confidential treatment of the Company's analysis of the Default Service bids, and am providing the confidential analysis directly to Hearing Officer Jeanne Voveris.

On May 16, 2005, the Companies issued a Request for Power Supply Proposal ("RFP") to supply 100% of the Companies' industrial customer group Default Service needs for the period August 2005 through October 2005. Bidders were required to provide Zone-specific bids for each of the three Zones in which the Companies provide Default Service. The Default Service prices adjusted for losses at the retail delivery point for the periods August 2005 through October 2005 for industrial Default Service resulting from the winning bids are contained in Attachment 1 to this letter.

Consistent with the Companies' Default Service prices currently in effect, the proposed Default Service rates included in this filing include an estimate of the costs associated with the Companies' compliance with the Massachusetts Renewable Portfolio Standards ("RPS") that became effective on January 1, 2003. As set forth in the confidential analysis, the Companies are procuring RPS compliant certificates for the entire industrial customer group's Default Service load as part of this Default Service solicitation.

Attachment 2 contains the Companies' calculation of the Default Service rates for the three-month fixed price option for the industrial customer group. These rates include the Default Service Reclassification Adjustment Factor, in compliance with D.T.E. 03-88E. Attachment 3 includes the revised tariff supplement to the Companies' Tariff for

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Mary L. Cottrell, Secretary

June 23, 2005

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Default Service¹, containing the proposed fixed and variable Default Service rates for the periods August 2005 through October 2005 for the industrial customer group. The Companies are proposing that these rates become effective for usage on and after August 1, 2005.

Thank you very much for your time and attention to the Companies' filing.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Amy G. Rabinowitz". The signature is fluid and cursive, with the first name "Amy" and last name "Rabinowitz" clearly distinguishable.

Amy G. Rabinowitz

cc: Service List

¹ Both Companies' Tariff for Default Service is M.D.T.E. No. 1041.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

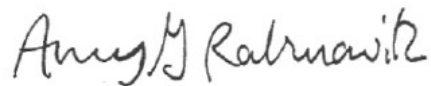
Investigation by the Department of)	
Telecommunications and Energy on its)	
own motion into the Pricing and)	D.T.E. 99-60
Procurement of Default Service)	
Pursuant to G.L. c. 164, §1B(d))	

**Motion of Massachusetts Electric Company and Nantucket Electric Company
For Confidential Treatment**

Pursuant to Mass. Gen. Laws c. 25, §5D, Massachusetts Electric Company and Nantucket Electric Company (collectively "Companies") hereby move for confidential treatment of the analysis of default service bids that the Companies received in response to their Request for Power Supply Proposal ("RFP") requesting bids for the service period commencing August 1, 2005.

The data contained in the rankings constitutes sensitive proprietary information. Protecting this information from public disclosure is in the public interest because disclosure would make public all of the competitive bids received in the RFP process. Although participants understood that the resulting rates would be tied to the Companies' supply contract prices, the disclosure of all of the competing bids could have adverse competitive effects on future bids for default service, not only for the Companies, but also for other utilities in the state that will need to seek bids for default service.

Respectfully submitted,
MASSACHUSETTS ELECTRIC COMPANIES
NANTUCKET ELECTRIC COMPANIES
By their attorney,



Amy G. Rabinowitz
25 Research Drive
Westboro, MA 01582

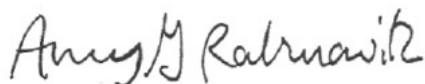
Dated: June 23, 2005

D.T.E. 99-60 Motion for Confidential Treatment

CERTIFICATE OF SERVICE

I hereby certify that on June 23, 2005, I served a copy of the Motion of Massachusetts Electric Company and Nantucket Electric Company for Confidential Treatment on the Service List in D.T.E. 99-60 by personal delivery or first class mail.

Signed under the pains and penalties of perjury



Amy G. Rabinowitz
Attorney for Massachusetts Electric Companies and
Nantucket Electric Companies

Dated: June 23, 2005

ATTACHMENT 1

**Massachusetts Electric Company
Nantucket Electric Company**

Default Service Bid Prices (cents per kWh at retail)

Industrial: August 2005 - October 2005

Power Supply and RPS

Customer Group	Contract Month	1	2	3
	Calendar Month	8	9	10
	Year	2005	2005	2005
Industrial	SEMA	8.103	7.252	7.168
	WCMA	8.638	7.615	7.532
	NEMA	8.505	7.479	7.483
	Portion of load served	100%	100%	100%

Footnotes

1) Monthly prices calculated as the sum of the average cost of supply (converted to retail delivery) and provided in a confidential submission under separate cover plus the average estimated cost of RPS (converted to retail delivery) and provided in a confidential submission under separate cover.

ATTACHMENT 2

Massachusetts Electric Company
Nantucket Electric Company
Summary of Proposed Default Service Charges
Including Default Service Cost Reclassification Adjustment Factor
August 2005 - October 2005

Zonal Default Service Charges		
NEMA	SEMA	WCMA
Industrial	Industrial	Industrial
<u>(G-2, G-3)</u>	<u>(G-2, G-3)</u>	<u>(G-2, G-3)</u>
(a)	(b)	(c)

Section 1: Variable Default Service Charges, ¢/kWh

(1)	August 2005	8.524	8.122	8.657
(2)	September 2005	7.498	7.271	7.634
(3)	October 2005	7.502	7.187	7.551

Section 2: Fixed Default Service Charge, ¢/kWh

(4)	August 2005 - October 2005	7.849	7.534	7.956
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(1) NEMA G-2,G-3: Page 2, Line (10), Column (a)
SEMA G-2,G-3: Page 3, Line (10), Column (a)
WCMA G-2,G-3: Page 4, Line (10), Column (a)

(2) NEMA G-2,G-3: Page 2, Line (10), Column (b)
SEMA G-2,G-3: Page 3, Line (10), Column (b)
WCMA G-2,G-3: Page 4, Line (10), Column (b)

(3) NEMA G-2,G-3: Page 2, Line (10), Column (c)
SEMA G-2,G-3: Page 3, Line (10), Column (c)
WCMA G-2,G-3: Page 4, Line (10), Column (c)

(4) NEMA G-2,G-3: Page 2, Line (12), Column (d)
SEMA G-2,G-3: Page 3, Line (12), Column (d)
WCMA G-2,G-3: Page 4, Line (12), Column (d)

**Massachusetts Electric Company
Nantucket Electric Company**
NEMA Industrial Fixed Default Service Charge
(Rates G-2 and G-3)
Based on Weighted Average Effective Default Service Prices
August 2005 - October 2005

Section 1: Percentage of Industrial kWhs Attributable to Default Service in NEMA

(1)	May 2005 Industrial Default Service kWhs in the NEMA Zone	35,160,363
(2)	May 2005 Total Industrial kWhs	701,554,050
(3)	Percentage of NEMA Industrial Default Service kWhs to Total Industrial kWhs	5.01%

Section 2: Projected NEMA Industrial Default Service kWhs, August 2005 - October 2005

		2005 <u>August</u> (a)	<u>September</u> (b)	<u>October</u> (c)	<u>Total</u> (d)
(4)	Projected Total Company Industrial kWhs	1,015,051,547	997,548,964	959,313,782	2,971,914,293
(5)	Percentage of NEMA Industrial Default Service kWhs to Total Industrial kWhs	<u>5.01%</u>	<u>5.01%</u>	<u>5.01%</u>	
(6)	Projected NEMA Industrial Default Service kWhs	50,872,176	49,994,984	48,078,720	148,945,880

Section 3: Weighted Average NEMA Industrial Default Service Charge for August 2005 - October 2005

(7)	Projected NEMA Industrial Default Service kWhs	50,872,176	49,994,984	48,078,720	148,945,880
(8)	Estimated NEMA Industrial Default Service Price per kWh	\$0.08505	\$0.07479	\$0.07483	
(9)	Default Service Cost Reclassification Adjustment Factor	<u>\$0.00019</u>	<u>\$0.00019</u>	<u>\$0.00019</u>	
(10)	Total Estimated NEMA Industrial Default Service Price per kWh	<u>\$0.08524</u>	<u>\$0.07498</u>	<u>\$0.07502</u>	
(11)	Projected NEMA Industrial Default Service Cost, August 2005 - October 2005	\$4,336,344	\$3,748,624	\$3,606,866	<u>\$11,691,834</u>
(12)	Weighted Average NEMA Industrial Default Service Charge, Fixed Price Option, for August 2005 - October 2005				\$0.07849
(13)	Currently Effective NEMA Industrial Default Service Charge, Fixed Price Option				\$0.07791
(14)	Proposed Increase to NEMA Industrial Default Service Charge, Fixed Price Option				\$0.00058

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- (1) Per Company billing records based upon Load Zone designation for each customer account
(2) May 2005 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-2 and G-3)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8) Attachment 1, Industrial
(9) Per Default Service Cost Reclassification Adjustment Provision, MDTE No. 1084
(10) Line (8) + Line (9)
(11) Line (7) x Line (10)
(12) Line (10) total ÷ Line (7) total, truncated after 5 decimal places
(13) Per Company tariff
(14) Line (12) - Line (13)

**Massachusetts Electric Company
Nantucket Electric Company**
SEMA Industrial Fixed Default Service Charge
(Rates G-2 and G-3)
Based on Weighted Average Effective Default Service Prices
August 2005 - October 2005

Section 1: Percentage of Industrial kWhs Attributable to Default Service in SEMA

(1)	May 2005 Industrial Default Service kWhs in the SEMA Zone	55,361,617
(2)	May 2005 Total Industrial kWhs	701,554,050
(3)	Percentage of SEMA Industrial Default Service kWhs to Total Industrial kWhs	7.89%

Section 2: Projected SEMA Industrial Default Service kWhs, August 2005 - October 2005

	2005 <u>August</u> (a)	<u>September</u> (b)	<u>October</u> (c)	<u>Total</u> (d)
(4)	Projected Total Company Industrial kWhs	1,015,051,547	997,548,964	959,313,782
(5)	Percentage of SEMA Industrial Default Service kWhs to Total Industrial kWhs	<u>7.89%</u>	<u>7.89%</u>	<u>7.89%</u>
(6)	Projected SEMA Industrial Default Service kWhs	80,100,592	78,719,414	75,702,167

Section 3: Weighted Average SEMA Industrial Default Service Charge for August 2005 - October 2005

(7)	Projected SEMA Industrial Default Service kWhs	80,100,592	78,719,414	75,702,167	234,522,174
(8)	Estimated SEMA Industrial Default Service Price per kWh	\$0.08103	\$0.07252	\$0.07168	
(9)	Default Service Cost Reclassification Adjustment Factor	<u>\$0.00019</u>	<u>\$0.00019</u>	<u>\$0.00019</u>	
(10)	Total Estimated SEMA Industrial Default Service Price per kWh	<u>\$0.08122</u>	<u>\$0.07271</u>	<u>\$0.07187</u>	
(11)	Projected SEMA Industrial Default Service Cost, August 2005 - October 2005	\$6,505,770	\$5,723,689	\$5,440,715	<u>\$17,670,173</u>
(12)	Weighted Average SEMA Industrial Default Service Charge, Fixed Price Option, for August 2005 - October 2005				\$0.07534
(13)	Currently Effective SEMA Industrial Default Service Charge, Fixed Price Option				\$0.07632
(14)	Proposed Decrease to SEMA Industrial Default Service Charge, Fixed Price Option				(\$0.00098)

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- (1) Per Company billing records based upon Load Zone designation for each customer account
(2) May 2005 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-2 and G-3)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8) Attachment 1, Industrial
(9) Per Default Service Cost Reclassification Adjustment Provision, MDTE No. 1084
(10) Line (8) + Line (9)
(11) Line (7) x Line (10)
(12) Line (10) total ÷ Line (7) total, truncated after 5 decimal places

Massachusetts Electric Company
Nantucket Electric Company
WCMA Industrial Fixed Default Service Charge
(Rates G-2 and G-3)
Based on Weighted Average Effective Default Service Prices
August 2005 - October 2005

Section 1: Percentage of Industrial kWhs Attributable to Default Service in WCMA

(1)	May 2005 Industrial Default Service kWhs in the WCMA Zone	95,507,607
(2)	May 2005 Total Industrial kWhs	701,554,050
(3)	Percentage of WCMA Industrial Default Service kWhs to Total Industrial kWhs	13.61%

Section 2: Projected WCMA Industrial Default Service kWhs, August 2005 - October 2005

		2005 <u>August</u> (a)	<u>September</u> (b)	<u>October</u> (c)	<u>Total</u> (d)
(4)	Projected Total Company Industrial kWhs	1,015,051,547	997,548,964	959,313,782	2,971,914,293
(5)	Percentage of WCMA Industrial Default Service kWhs to Total Industrial kWhs	<u>13.61%</u>	<u>13.61%</u>	<u>13.61%</u>	
(6)	Projected WCMA Industrial Default Service kWhs	138,186,280	135,803,527	130,598,296	404,588,103

Section 3: Weighted Average WCMA Industrial Default Service Charge for August 2005 - October 2005

(7)	Projected WCMA Industrial Default Service kWhs	138,186,280	135,803,527	130,598,296	404,588,103
(8)	Estimated WCMA Industrial Default Service Price per kWh	\$0.08638	\$0.07615	\$0.07532	
(9)	Default Service Cost Reclassification Adjustment Factor	<u>\$0.00019</u>	<u>\$0.00019</u>	<u>\$0.00019</u>	
(10)	Total Estimated WCMA Industrial Default Service Price per kWh	<u>\$0.08657</u>	<u>\$0.07634</u>	<u>\$0.07551</u>	
(11)	Projected WCMA Industrial Default Service Cost, August 2005 - October 2005	\$11,962,786	\$10,367,241	\$9,861,477	<u>\$32,191,505</u>
(12)	Weighted Average WCMA Industrial Default Service Charge, Fixed Price Option, for August 2005 - October 2005				\$0.07956
(13)	Currently Effective WCMA Industrial Default Service Charge, Fixed Price Option				\$0.07735
(14)	Proposed Increase to WCMA Industrial Default Service Charge, Fixed Price Option				\$0.00221

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- (1) Per Company billing records based upon Load Zone designation for each customer account
(2) May 2005 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-2 and G-3)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
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(8) Attachment 1, Industrial
(9) Per Default Service Cost Reclassification Adjustment Provision, MDTE No. 1084
(10) Line (8) + Line (9)
(11) Line (7) x Line (10)
(12) Line (10) total ÷ Line (7) total, truncated after 5 decimal places

ATTACHMENT 3

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
SUPPLEMENT TO TARIFF FOR DEFAULT SERVICE
FOR THE PERIOD MAY 2005 THROUGH OCTOBER 2005

In accordance with the terms of the Tariff for Default Service, the rates for Default Service for customers receiving such service from the Company, are as follows. All rates will be applied as a uniform ¢ per kWh charge, for usage on and after the first day of each calendar month.

<u>Rate</u>	<u>Tariff</u>					
	<u>R-1, R-2 R-4, E</u>	<u>G-1</u>	<u>G-2, G-3</u>			<u>S-1, S-2 S-3, S-5, S-20</u>
			<u>SEMA</u>	<u>WCMA</u>	<u>NEMA</u>	
Fixed Price Option:	7.213¢	7.208¢	7.534¢	7.956¢	7.849¢	7.208¢
Variable Price Option:						
May 2005	6.835¢	6.833¢	n/a	n/a	n/a	6.833¢
June 2005	7.164¢	7.150¢	n/a	n/a	n/a	7.150¢
July 2005	7.670¢	7.778¢	n/a	n/a	n/a	7.778¢
August 2005	7.693¢	7.795¢	8.122¢	8.657¢	8.524¢	7.795¢
September 2005	6.896¢	6.851¢	7.271¢	7.634¢	7.498¢	6.851¢
October 2005	6.804¢	6.721¢	7.187¢	7.551¢	7.502¢	6.721¢

The Fixed Price Option for Residential and Commercial customer groups (R-1, R-2, R-4, E, G-1, S-1, S-2, S-3, S-5, S-20) is effective for the period May 1, 2005 through October 31, 2005. The Fixed Price Option for the Industrial customer group (G-2, G-3) is effective for the period August 1, 2005 through October 31, 2005.

Effective: August 1, 2005